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**ABSTRACT**

Developed through a modified DACUM (Developing a Curriculum) process involving business, industry, labor, and community agency representatives in Ohio, this document is a comprehensive and verified employer competency profile for entrepreneurship. The list contains units (with and without subunits), competencies, and competency builders that identify the skills needed to enter these occupations. The occupational, academic, and employability skills for this occupation or occupational area are included. Within the outline are three levels of items: core, advancing, and futuring. Core items identify the knowledge, skills, and attitudes essential for entry-level employment. These items are required to be taught and will be the basis for questions on the state vocational competency tests. Advancing items identify the knowledge, skills, and attitudes needed to advance in the occupation; futuring items identify the knowledge, skills, and attitudes needed to enter and remain in a given occupation 3 to 4 years from now. This profile contains 15 units on entrepreneurship: entrepreneurial potential; business description; marketing; sales; customer services; legal considerations; government compliance; recordkeeping; risk management; human resource management; business operations management; customer credit; start-up financing; financial management; and business plan. (NLA)

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# OACAP

## OHIO'S COMPETENCY ANALYSIS PROFILE

### ENTREPRENEURSHIP

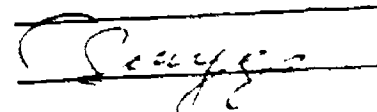
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# What is OCAP?

"A comprehensive and verified employer competency list will be developed and kept current for each program." This is the second objective of Imperative 3 of the *Action Plan for Accelerating the Modernization of Vocational Education: Ohio's Future at Work*. Ohio's Competency Analysis Profile (OCAP) lists are the Division of Vocational and Career Education's response to that objective. OCAP lists evolve from a modified DACUM process involving business, industry, labor, and community agency representatives from throughout Ohio. The OCAP process is directed by the Vocational Instructional Materials Laboratory at The Ohio State University's Center on Education and Training for Employment.

## How is OCAP used?

Each OCAP contains units (with and without subunits), competencies, and competency builders that identify the occupational, academic\*, and employability skills needed to enter a given occupation or occupational area. Within that outline there are three levels of items: core, advancing, and futuring. Core items identify the knowledge, skills, and attitudes essential for entry-level employment. These items are required to be taught and will be the basis for questions on the state vocational competency tests (scheduled to begin in school year 1993-94). Advancing items (marked with one asterisk) identify the knowledge, skills, and attitudes needed to advance in a given occupation. Futuring items (marked with two asterisks) identify the knowledge, skills, and attitudes needed to enter and remain in a given occupation three to four years from now.

School districts may add as many units, subunits, competencies, and/or competency builders as desired to reflect local employment needs, trends, and specialties. Local advisory committees should be actively involved in the identification and verification of additional items. Using OCAP lists, instructors will be able to formulate their vocational courses of study and monitor competency gains via the new criterion-referenced competency testing program that will be directly tied to the competencies identified on the OCAP lists.

\*Academic competencies have not been identified for all OCAPs. At a later date math, communication, and science competencies will be released.

## OHIO COMPETENCY ANALYSIS PROFILE

### ENTREPRENEURSHIP

#### UNIT 1: Entrepreneurial Potential

**COMPETENCY 1.0.1: Evaluate role of small business in the economy**

**COMPETENCY BUILDERS:**

- 1.0.1.1 Examine the relationship of small business to a national (USA) and global economy
- 1.0.1.2 Identify factors that contribute to the success and failure of small business
- 1.0.1.3 Analyze the effects of supply, demand, profit, and competition on small business

**COMPETENCY 1.0.2: Investigate entrepreneurship**

**COMPETENCY BUILDERS:**

- 1.0.2.1 Examine characteristics of entrepreneurs
- 1.0.2.2 Identify qualities and skills needed by business owners
- 1.0.2.3 Identify the advantages and disadvantages of owning a small business
- 1.0.2.4 Compare business ownership to working for others
- 1.0.2.5 Identify the personal risks of owning a small business

**COMPETENCY 1.0.3: Examine entrepreneurship as a personal goal**

**COMPETENCY BUILDERS:**

- 1.0.3.1 Evaluate personal interests and skills
- 1.0.3.2 Compare personal interests and skills with those necessary for entrepreneurship
- 1.0.3.3 Assess ability and aptitude to become a successful entrepreneur
- 1.0.3.4 Determine motives for becoming an entrepreneur

\* Advancing  
\*\* Futuring

**UNIT 2: Business Description**

**COMPETENCY 2.0.1: Determine purpose of business**

**COMPETENCY BUILDERS:**

- 2.0.1.1 Identify need(s) of market area
- 2.0.1.2 Identify products or services to meet the market area need(s)
- 2.0.1.3 Set financial and non-financial goals of business

**COMPETENCY 2.0.2: Examine ways to become a business owner**

**COMPETENCY BUILDERS:**

- 2.0.2.1 Compare the advantages and disadvantages of buying an existing business
- 2.0.2.2 Compare the advantages and disadvantages of starting a new business
- 2.0.2.3 Compare the advantages and disadvantages of buying a franchise

**COMPETENCY 2.0.3: Analyze opportunities for new business**

**COMPETENCY BUILDERS:**

- 2.0.3.1 Compare the advantages and disadvantages of manufacturing, wholesaling, retailing, and service businesses
- 2.0.3.2 Evaluate the business composition of the community
- 2.0.3.3 Research economic development of the geographic area
- 2.0.3.4 Analyze demographic characteristics of geographic area
- 2.0.3.5 Identify opportunities for change in the business environment
- 2.0.3.6 Survey potential customers

**COMPETENCY 2.0.4: Select type of business ownership**

**COMPETENCY BUILDERS:**

- 2.0.4.1 Compare advantages and disadvantages of business ownership types
- 2.0.4.2 Match business ownership type to kind of business
- 2.0.4.3 Identify sources of assistance to new entrepreneurs
- 2.0.4.4 Reevaluate chosen ownership type\*\*

\* Advancing

\*\* Futuring

**COMPETENCY 2.0.5: Examine factors involved in selecting a business location**

**COMPETENCY BUILDERS:**

- 2.0.5.1 Explain the importance of selecting the proper location
- 2.0.5.2 Compare advantages and disadvantages of different business locations
- 2.0.5.3 Determine the costs of leasing, renting, building, purchasing, and renovating
- 2.0.5.4 Identify sources of assistance in selecting a location

**COMPETENCY 2.0.6: Select business location**

**COMPETENCY BUILDERS:**

- 2.0.6.1 Examine potential market
- 2.0.6.2 Identify potential competition
- 2.0.6.3 Conduct a location analysis

**UNIT 3: Marketing**

**COMPETENCY 3.0.1: Examine components of a marketing plan**

**COMPETENCY BUILDERS:**

- 3.0.1.1 Identify purpose of marketing plan
- 3.0.1.2 Analyze the importance of product, price, place, and promotion
- 3.0.1.3 Identify target market(s)
- 3.0.1.4 Develop marketing goals
- 3.0.1.5 Analyze the competition
- 3.0.1.6 Recognize need for flexibility
- 3.0.1.7 Monitor market trends\*
- 3.0.1.8 Develop a market forecast\*\*

**COMPETENCY 3.0.2: Conduct market research**

**COMPETENCY BUILDERS:**

- 3.0.2.1 Identify purposes of market research
- 3.0.2.2 Develop research materials
- 3.0.2.3 Collect data
- 3.0.2.4 Interpret results

\* Advancing  
\*\* Futuring

**COMPETENCY 3.0.3: Develop product strategies**

**COMPETENCY BUILDERS:**

- 3.0.3.1 Identify advantages and disadvantages of product(s) or service(s)
- 3.0.3.2 Identify operational and marketable differences between product(s) or service(s) and competitors' product(s) or service(s)
- 3.0.3.3 Determine future product(s)
- 3.0.3.4 Evaluate breadth and depth of product mix

**COMPETENCY 3.0.4: Develop purchasing strategies**

**COMPETENCY BUILDERS:**

- 3.0.4.1 Analyze sources of supply
- 3.0.4.2 Determine supplier(s)
- 3.0.4.3 Formulate procedures to purchase supplies

**COMPETENCY 3.0.5: Develop pricing strategies**

**COMPETENCY BUILDERS:**

- 3.0.5.1 Examine factors affecting price(s)
- 3.0.5.2 Determine how to price product(s) or service(s)
- 3.0.5.3 Complete a cost and profit margin analysis

**COMPETENCY 3.0.6: Develop distribution strategies**

**COMPETENCY BUILDERS:**

- 3.0.6.1 Examine factors affecting distribution decisions
- 3.0.6.2 Determine how product(s) or service(s) will be purchased by target market(s)
- 3.0.6.3 Determine where product(s) or service(s) will be sold
- 3.0.6.4 Identify channels of distribution

**COMPETENCY 3.0.7: Develop promotional strategies**

**COMPETENCY BUILDERS:**

- 3.0.7.1 Explain importance of promotion to small business
- 3.0.7.2 Compare advantages and disadvantages of advertising, personal selling, sales promotion, and public relations techniques
- 3.0.7.3 Identify cost factors in the selection of promotional methods
- 3.0.7.4 Establish promotional budget
- 3.0.7.5 Justify proposed promotional budget in relation to industry standards
- 3.0.7.6 Evaluate promotional effectiveness

**UNIT 4: Sales**

**COMPETENCY 4.0.1: Develop sales plan**

**COMPETENCY BUILDERS:**

- 4.0.1.1 Set sales goals
- 4.0.1.2 Determine customer needs
- 4.0.1.3 Determine target customer list
- 4.0.1.4 Develop sales presentation

**COMPETENCY 4.0.2: Execute personal selling skills**

**COMPETENCY BUILDERS:**

- 4.0.2.1 Project proper image
- 4.0.2.2 Know your product
- 4.0.2.3 Demonstrate product
- 4.0.2.4 Utilize proper closing skills
- 4.0.2.5 Continue education/training\*

**UNIT 5: Customer Service**

**COMPETENCY 5.0.1: Analyze importance of a customer service policy**

**COMPETENCY BUILDERS:**

- 5.0.1.1 Compare policies from other businesses
- 5.0.1.2 Evaluate methods to prevent customer dissatisfaction
- 5.0.1.3 Identify the steps involved in creating a customer service policy

- \* Advancing
- \*\* Futuring

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### **COMPETENCY 5.0.2: Establish customer service policy**

#### **COMPETENCY BUILDERS:**

- 5.0.2.1 Project positive, professional image
- 5.0.2.2 Develop a customer feedback system
- 5.0.2.3 Develop a training program for employees
- 5.0.2.4 Establish guidelines for customer relations

## **UNIT 6: Legal Considerations**

### **COMPETENCY 6.0.1: Analyze how laws affect small business operations**

#### **COMPETENCY BUILDERS:**

- 6.0.1.1 Identify legal issues faced by entrepreneurs
- 6.0.1.2 Determine when and how to obtain appropriate legal assistance

### **COMPETENCY 6.0.2: Examine use of contracts in small businesses**

#### **COMPETENCY BUILDERS:**

- 6.0.2.1 Identify components of a contract
- 6.0.2.2 Compare types of contracts used by entrepreneurs
- 6.0.2.3 Describe situations that call for a written contract
- 6.0.2.4 Identify the rights and responsibilities of lessees and lessors

## **UNIT 7: Government Compliance**

### **COMPETENCY 7.0.1: Analyze how legislation affects small business**

#### **COMPETENCY BUILDERS:**

- 7.0.1.1 Examine the relationship between government and entrepreneurs
- 7.0.1.2 Explain the effects of regulation on the business operation
- 7.0.1.3 Participate in the legislative process\*

\* Advancing  
\*\* Futuring

**COMPETENCY 7.0.2: Comply with government regulations**

**COMPETENCY BUILDERS:**

- 7.0.2.1 Identify sources of information and assistance
- 7.0.2.2 Identify regulations, licensing, and permits affecting business operations
- 7.0.2.3 Identify federal, state, and local taxes affecting small businesses
- 7.0.2.4 Develop policies of compliance
- 7.0.2.5 Monitor changing regulations

**UNIT 8: Recordkeeping**

**COMPETENCY 8.0.1: Examine importance of effective recordkeeping**

**COMPETENCY BUILDERS:**

- 8.0.1.1 Give reasons for keeping records
- 8.0.1.2 Identify types of records needed by small businesses
- 8.0.1.3 Identify sources of assistance in recordkeeping
- 8.0.1.4 Identify types of data provided by recordkeeping
- 8.0.1.5 Investigate business records kept on computer

**COMPETENCY 8.0.2: Maintain records**

**COMPETENCY BUILDERS:**

- 8.0.2.1 Determine records needed
- 8.0.2.2 Develop proper techniques/procedures for maintaining each type of record

**UNIT 9: Risk Management**

**COMPETENCY 9.0.1: Analyze types of risks faced by entrepreneurs**

**COMPETENCY BUILDERS:**

- 9.0.1.1 Identify entrepreneurial risks
- 9.0.1.2 Investigate minimizing loss due to risk
- 9.0.1.3 Evaluate how planning can minimize risk

\* Advancing  
\*\* Futuring

**COMPETENCY 9.0.2: Establish risk-management strategies**

**COMPETENCY BUILDERS:**

- 9.0.2.1 Establish measures that can be used to minimize theft
- 9.0.2.2 Select appropriate types of business insurance
- 9.0.2.3 Develop a safety plan
- 9.0.2.4 Develop an ongoing regulatory compliance plan
- 9.0.2.5 Develop a disaster plan\*

**UNIT 10: Human Resource Management**

**COMPETENCY 10.0.1: Analyze responsibilities involved in managing employees**

**COMPETENCY BUILDERS:**

- 10.0.1.1 Examine importance of human resource management
- 10.0.1.2 Compare management styles
- 10.0.1.3 Identify obligations employers have to employees
- 10.0.1.4 Determine how laws affect the hiring, management, and dismissal of employees
- 10.0.1.5 Evaluate techniques used to supervise and motivate employees
- 10.0.1.6 Identify importance of effective communication
- 10.0.1.7 Obtain education/training in employee management\*

**COMPETENCY 10.0.2: Establish personnel policies and procedures**

**COMPETENCY BUILDERS:**

- 10.0.2.1 Prepare job descriptions for each position
- 10.0.2.2 Identify steps involved in hiring and firing employees
- 10.0.2.3 Develop training program for employees
- 10.0.2.4 Identify company rules and regulations
- 10.0.2.5 Maintain personnel file
- 10.0.2.6 Develop an employee evaluation system

\* Advancing  
\*\* Futuring

**UNIT 11: Business Operations Management**

**COMPETENCY 11.0.1: Evaluate role of management in operating a business**

**COMPETENCY BUILDERS:**

- 11.0.1.1 Identify management functions performed by entrepreneurs
- 11.0.1.2 Recognize responsibilities and rewards of small business management
- 11.0.1.3 Compare specific management techniques
- 11.0.1.4 Examine importance of time management
- 11.0.1.5 Identify benefits of membership in professional/trade associations
- 11.0.1.6 Seek professional support system(s)

**COMPETENCY 11.0.2: Develop management strategies**

**COMPETENCY BUILDERS:**

- 11.0.2.1 Set company goals and objectives
- 11.0.2.2 Build leadership traits
- 11.0.2.3 Establish business policies
- 11.0.2.4 Collect information to aid in making business decisions

**UNIT 12: Customer Credit**

**COMPETENCY 12.0.1: Examine role of customer credit in small business**

**COMPETENCY BUILDERS:**

- 12.0.1.1 Identify reasons for offering customer credit
- 12.0.1.2 Compare advantages and disadvantages of offering credit
- 12.0.1.3 Compare types of credit plans
- 12.0.1.4 Identify factors to consider in awarding customer credit

**COMPETENCY 12.0.2: Establish credit and collection procedures**

**COMPETENCY BUILDERS:**

- 12.0.2.1 Develop methods of setting credit limits
- 12.0.2.2 Maintain credit records
- 12.0.2.3 Develop guidelines for evaluating credit applicants/applications
- 12.0.2.4 Develop credit collection policy
- 12.0.2.5 Recognize legal rights of credit grantors

\* Advancing  
\*\* Futuring

**UNIT 13: Start-up Financing**

**COMPETENCY 13.0.1: Examine factors involved in obtaining financing**

**COMPETENCY BUILDERS:**

- 13.0.1.1 Analyze the personal risks involved in financing a business
- 13.0.1.2 Compare the advantages and disadvantages of sources of financing
- 13.0.1.3 Compare types of business loans
- 13.0.1.4 Identify sources of financial assistance

**COMPETENCY 13.0.2: Prepare financing strategies for business startup**

**COMPETENCY BUILDERS:**

- 13.0.2.1 Estimate start-up and operating costs
- 13.0.2.2 Determine personal income needs
- 13.0.2.3 Prepare operating budget
- 13.0.2.4 Prepare a projected profit and loss statement
- 13.0.2.5 Prepare a projected cash flow statement
- 13.0.2.6 Estimate necessary financing

**UNIT 14: Financial Management**

**COMPETENCY 14.0.1: Develop procedures to manage finances**

**COMPETENCY BUILDERS:**

- 14.0.1.1 Explain the importance of financial management
- 14.0.1.2 Identify financial control procedures
- 14.0.1.3 Analyze trouble spots in financial management
- 14.0.1.4 Identify uses for computers in financial management
- 14.0.1.5 Analyze uses of depreciation schedules\*

**COMPETENCY 14.0.2: Use financial statements to make business decisions**

**COMPETENCY BUILDERS:**

- 14.0.2.1 Prepare balance sheet
- 14.0.2.2 Prepare profit and loss statement
- 14.0.2.3 Prepare cash flow analysis
- 14.0.2.4 Complete a break-even analysis
- 14.0.2.5 Prepare a cost accounting statement
- 14.0.2.6 Update operating budget
- 14.0.2.7 Project a long-term financial plan\*

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**UNIT 15: Business Plan**

**COMPETENCY 15.0.1: Analyze importance of a business plan**

**COMPETENCY BUILDERS:**

- 15.0.1.1 Identify purposes for developing a business plan
- 15.0.1.2 Identify components of a business plan
- 15.0.1.3 Examine how a business plan contributes to the success of an entrepreneur

**COMPETENCY 15.0.2: Develop business plan**

**COMPETENCY BUILDERS:**

- 15.0.2.1 Prepare a description of the business
- 15.0.2.2 Create an organizational chart
- 15.0.2.3 Complete a marketing plan
- 15.0.2.4 Prepare a financial plan

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